

Meeting: Corporate Parenting Panel
Date: 24 March 2014
Subject: Update report: Fees and Allowances for Foster Carers
Report of: Cllr Mark Versallion, Executive Member, Children's Services
Summary: The report outlines a review of the foster care allowance scheme to increase remuneration to council foster carers and address the high use of independent foster agency placements.

Advising Officer: Edwina Grant, Deputy Chief Executive/ Director of Children's Services
Contact Officer: Gerard Jones, Assistant Director Children's Services Operations
Public/Exempt: Public
Wards Affected: All
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

Central Bedfordshire Council's Strategic Plan 2012-16 Priority 3 – Promote health and wellbeing and protecting the vulnerable

The Children and Young People's Plan 2011-2014 Priority 2 – Protecting children and keeping them safe.

Providing a sufficient number and range of foster placements is a key statutory responsibility to Looked After Children

Financial:

1. Overheads for the Fostering Service are fixed and will not be increased as a result of the proposed increase in number of in-house placements.
2. The increased cost of implementing the Fee scheme with current number of in-house placements is £298k. This is cost incurred before any growth in foster placements. The increased cost of a further 10 placements in 2014-15 is an additional £144k. Adding these together, the proposed increase fits within the agreed cost for 2014-15 of £499k.
3. For the year 2015-16, increase of a further 15 in-house placements is costed at £218k.

Legal:

4. The Children Act 1989 identifies a statutory duty for Councils to provide sufficient accommodation in their local area and to provide maintenance for children who are looked after.
5. The Fostering Service (England) Regulations 2011, associated Statutory Guidance and National Minimum Standards outline the Council's responsibility to ensure that foster carers are given clear information about the allowances, fees and expenses available to them. The allowance must be sufficient to cover the cost of caring for a child placed with them and must be reviewed annually.

Risk Management:

6. Regulatory Risks: The provision of sufficient and suitable foster placements is a key activity monitored by Ofsted during inspection, forming part of their judgement about services for Looked After Children.
7. Child Protection Risks: Failure to recruit or retain sufficient foster carers would be a child protection risk.
8. Reputational Risk: Recruitment of foster carers is a competitive market activity and has a high media profile.
9. Financial Risk: Looked after Children placements is a demand led activity. Independent Agency Placements are high cost, and variations in the proportion of independent versus in-house placements can have significant and immediate impact on forecast spend.

Staffing (including Trades Unions):

10. There are no staffing implications from these proposals.

Equalities/Human Rights:

11. Fostering allowances must meet the cost of caring for a child. The allowance scheme must ensure that any additional costs incurred in caring for a disabled child or a child with other specific needs is met. An Equality Impact Assessment has been carried out and to pay at least the basic recommended level of allowances meets the requirements of the assessment.

Community Safety:

12. There are no implications from these proposals.

Sustainability:

13. There are no implications from these proposals.

RECOMMENDATION:

- **The Corporate Parenting Panel is asked to comment on and note progress on the development and implementation of the new fostering fees scheme**

Reason for Recommendation:	To manage the sufficiency and affordability of placements for looked after children.
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Background

14. The Council has a duty to provide a range of types of placements for looked after children which meet their needs. In most cases a child's needs should be met by living in a family setting, either with someone known to them (known as a friends and family or connected person foster placement) or with foster carers.
15. The Council recruits its own foster carers, known as 'in-house' foster carers and also has the legal responsibility for assessing and approving friends and family foster carers. In order to meet the demand for placements for children in care, foster placements are also bought from Independent Fostering Agencies (IFA's). Central Bedfordshire Council, in conjunction with Luton Borough Council and Bedford Borough Council has a Framework Agreement with 18 such agencies to offer suitable and sufficient IFA placements within a tight cost and quality framework.

Purpose of the New Fostering Fees Scheme

16. The current average cost of Independent Fostering providers is £758 per week (£39,387 per year). In contrast, the current average cost of an in-house placement is £420 per week (£21,840 per year). This presents a current cost difference of £338 per week. It is clearly desirable to increase the number of in-house placements and reduce the number of more expensive Independent Fostering placements.
17. In September 2013, the Executive Committee of the Council agreed a plan to increase in house foster carer recruitment and to retain existing carers through the introduction of a fee based scheme to improve rewards to in-house carers. This scheme costs an additional £499,000 per year to the Council.
18. On 02 January 2014, the joint service that provided a Fostering and Adoption service for Bedford Borough ended. Following the end of this arrangement, further work has been undertaken on the new scheme to ensure this is competitive with neighbouring authorities.
19. From 01 April 2014 we will pay the following fees to mainstream foster carers; Tier 1 carers will receive £100 per week per child placed and Tier 2 carers will receive £175 per week. The existing Youth Care scheme will be paid as Tier 3 carers on the same rate as currently paid.
20. This approach recognises the additional responsibilities that mainstream carers carry, as they take on the care of a variety of different children in placements for task centred fostering. Fostering allowances will continue to be based on the annually updated Fostering Network rates.
21. On 31 January 2014 there were 273 children Looked After by Central Bedfordshire Council, 203 children are placed with either in-house or independent agency foster family. This represents 74% of the LAC population placed with foster carers, which compares reasonably with the statistical neighbours figure of 75%.

22. At end of January 2014 of these 203 children, 95 were placed with in-house carers and 108 children were placed with Independent Fostering Agencies (IFA's). This represents a ratio of 47% to 53%.
23. By introducing a fee scheme for in-house carers, it is intended to change this ratio so that a higher number of children in care are placed in-house. Through increasing the number of in-house placements by 25 over two year period (and reducing IFA placements by 25) the ratio will be reversed to a more favourable 59% in-house placement and 41% with IFA's.
24. The age profile of children placed with foster carer's shows the need for carers for children under the age of 10 years. However, more carers are needed for all age ranges particularly for sibling groups of children.

Table 1 Age Profile of Children in Care in Foster Placements

Age profile all LAC in foster placements end Jan 2014 (n = 203)

	Family & Friends Carers	Family & Friends Carers as %	Mainstream Foster Carers	Mainstream Foster Carers as %	IFA Carers	IFA Carers as %
0 to 4	13	31%	14	26%	28	26%
5 to 10	18	43%	17	32%	43	40%
11 to 15	8	19%	20	38%	26	24%
16+	3	7%	2	4%	11	10%
Total	42	100%	53	100%	108	100%

Summary of Planned Increase in In-house Foster Carers

- Current number of in-house placements = 95
 - 2014-15 planned number of in-house placements = 105
 - 2015-16 planned number of in-house placements = 120
25. It is recognised that foster care provision in Central Bedfordshire will continue to be a mixed market of in-house and IFA placements, to provide an efficient and effective service. We aspire to increase the proportion of in-house fostering provision and reduce the use of IFA placements, in line with our statistical neighbours and preferably trend towards the higher performing local authorities with a significant majority of in-house foster placements.

Details of the Scheme

26. Tier 0 - Family and Friends carers

This level is intended for those carers who will solely be approved for a specific child or children. Fostering allowances are currently paid at 110% of the Fostering Network recommended rate. This would continue to cover the costs for the child, and would be the payment made to friends and family carers who would not receive the household skills rate (Tiers 1 & 2). Once approved, they will be expected to complete the Training Development Standards, as well as core training such as First Aid, Safeguarding and Safer Caring.

27. Tier 1 - Mainstream carers

This level applies to mainstream carers who are available for any children the Council may propose to place with them, within their agreed approval range. The expectation is that they show willing to consider placements presented and provide clear reasons for declining placements. They will have completed the Skills to Foster course and a full assessment that has been approved via Fostering panel. A fee of £100 per week on top of the fostering allowance for the child will be paid to newly approved mainstream foster carers for their first year of caring, or until they achieve the Training Support and Development (TSD) mandatory workforce development standards. It is expected that they will make a commitment to completing the TSD within the first year. This replaces the current additional fee of £100 that has been paid to mainstream carers where child placed is 13 or over. This acknowledges that challenging needs are present in all age bands, not just teenagers (excluding Youth Care scheme that caters for additionally complex placement needs, which is dealt with separately). They will also have completed a Personal Development Plan that identifies specific learning and development needs and how these will be accomplished. Carers who cease to meet the standards can also be reduced to a lower tier. The fostering allowance is paid at Fostering Network rates, according to the age bands as published annually.

28. Tier 2 – Mainstream carers

Carers must have been fostering for two years at Tier 1 before progressing to Tier 2. The fostering allowance is paid at regular Fostering Network rates, according to the age bands as published annually. Carers who cease to meet the standards can be returned to a lower Tier. Carers at this level will also be required to have successfully completed additional core training as defined by the Fostering Service, maintaining an active training profile that reflects on their continuous professional development. The Personal Development Plan will identify specific training expectations that evidence competencies and contribute to the learning of others. Carers at this level will also be sought to contribute to wider aspects of the service such as being Buddy or Mentor to less experienced foster carers and/or contributing to training and recruitment activities. When they reach this competency level, the fee will increase to £175 per week per child placed.

29 Tier 3 – Mainstream carers – complex needs

This level is currently provided within the Youth Care scheme and a higher fee of £385 is paid to a small number of carers with a commitment to providing maximum occupancy and working with complex and demanding placements that require a higher level of support and supervision.

It is proposed that this scheme is re-evaluated in near future, but for the present is continued as a small cohort and utilised more flexibly with regard to age range of placements. Practice has shown that there are younger children who may well benefit from a specialist placement such as the Youth Care scheme have to offer.

30. Summary of Fees and Allowances for the New Scheme 2014-15

Age range	Fostering Network baseline	Tier 0 (no fee) Allowance	Tier 1 £100 fee + Allowance	Tier 2 £175 fee + Allowance	Tier 3 £385 fee + Allowance
0 to 4	£140.33	£154.36	£240.33	£315.33	
5 to 10	£159.85	£175.84	£259.85	£334.85	
11 to 15	£199.00	£218.90	£299.00	£374.00	£603.90
16+	£242.08	£266.29	£342.08	£417.08	£651.29

31. Summary of Benefits of the new Fee scheme

- Be more competitive with neighbours and attract more carers
- Prevent children going to IFA placements and bring those in IFAs back to in-house placements in a planned way
- Incentivise foster carers to complete mandatory training and enable them to feel the council is treating them as paid professional carers
- Prevent loss of existing carers either to competitors or because they can no longer afford to foster
- Encourage foster carers who would otherwise need to work to be more available for fostering at no financial detriment to their household
- Have carers more available to meet the needs of younger children, and potential savings on extra costs such as transport to school
- Increase the provision of in-house placements and reduce the use of IFA placements by 25 over two years

Conclusion and Next Steps

32. The Corporate Parenting Panel is asked to comment on and note progress on the development and implementation of the new fostering fees scheme.

Appendices:

None

Background Papers:

None